being asked whether you are a ertiren of India. But we are being asked. That is the whole question.

SHRI PARVATHANENI UPENDRA : That is in pursuance of the Act you have passed here.

SHRI SANTOSH MOHAN DEV : No. *{Interruptions).* That is a mis-interpretation.

MR. CHAIRMAN : Let us proceed with the question about textiles, the question about voters' list can be discussed at any other time. Are you putting your question ? Next question.

*46. *[The questioner (Shri Shanker Sinh Vagheld) was absent. For answer vide Col.* 36-37 *infra]*

Refinancing by NABARD

* *47.* SHRI A. G. KULKARNI : DR. BAPU KALDATE :

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 190 given in the Rajya Sabha on 23rd February, 1989 and state :

(a) whether NABARD refinance has since been resumed in Maharashtra, Madhya Pradesh and some other States ;

(b) if so, what is the basis of modality worked out ;

(c) whether Government are aware, of the fact that if funds are not immediately released to the small farmers, the Kharif operations in some States will come to a standstill ; and

t The question was actually asked on the floor of the House by Shri A. G. Kulkarni

(d) if so, whether Government will reconsider their decision and start releasing funds to the States ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GAD HVI) : (a) to (d) A Statement is laid on the Table of the House.

Statement

The availment of refinance facilities from National Bank for Agriculture and Rural Development (NABARD) by participating banks is subject to conditions/instructions laid down by RBI/NABARD in regard to issue and repayment of loans, interest rates, conversion/reschedule-ment, etc. It was noticed by Reserve Bank of India (RBI) and NABARD that some Co-operative Banks were not fully complying with instructions issued by them. NABARD . therefore, had advised the State Co-operative Banks (SCBs) and State Land Development Banks (SLDBs) against providing refinance if there was failure on their part in compliance of the instructions laid down for the purpose. This had resulted in non-availability of refinance to certain SCBs/SLDBs for a short period until the concerned banks gave an undertaking that they would follow the instructions laid down by RBI/NABARD. At present refinance facilities are available to all States, and the flow of credit for kharif crops has been ensured.

SHRI A. G. KULKARNI : Sir, everybody is standing and speaking and I cannot listen.

MR. CHAIRMAN : This is your question.

SHRI A. G. KULKARNI : This is such an important question . How can I forget to call it ? It is very vital to my State.

SHRI PARVATHANENI : UPENDRA : Not only to your State but to many States.

SHRI A. G. KULKARNI : Sir, the statement is in a very general form, Actually it refers to an earlier Starred Question No. 190. At that time the conditions were such that because of the drought, the farmers were groaning and various State Governments took benevolent measures to make finance available to the farmers. Now, for the refinance facility, NABARD have issued a circular. I can quote the number of the circular etc., but the hon. Minister must be aware of it. There are 2-3 conditions One is of minimum involvement. The second is that they must follow the guidelines which NABARD will from time to time indicate. I am not against monitoring and the discipline to be enforced either by the Reserve Bank or NABARD. But in case of persistent drought conditions ; and particularly the condition of the farmers in the drought areas, it becomes very difficult to comply with the conditions which NABARD is all along trying to impose, particularly the condition of minimum involvement. Now, in a big State like Maharashtra, like U.P. or Bihar, various district co-operative bank s are functioning under different conditions. In some districts, there is persistent drought; in some other districts, there are good rains and where recovery of loans can be done. What I want to stress upon is that the condition of minimum involvement should be on an average State basis through the State cooperative banks, and not through each and every district Central cooperative bank. That is one point. Secondly, whatever dues from the farmers have been remitted by the State Government on account of bundling etc., these do not come under the discipline of NABARD but the kharif crops come under the discipline of NABARD, and due to historical conditions of drought, some Chief Minister announced that the rate of interest for the farmers having one hectare, or below *2 1/2* hectares, whatever it is, would be 6 per cent. These were the conditions, and that is why in some States, particularly in Maharashtra, a difficulty had arisen. But thanks to the Finance Minister. Now I am told that the difficulty has been resolved and credit has started. I want to know as to what are the final agreements and the final concessions to the farming community. I am not interested in the politics of the States and the Centre.

SHRI B. K. GADHVI • Sir, the refinancing conditions have been prescribed by the Reserve Bank of India as well as the NABARD in the case of difficulties faced by the farmers on account of drought, floods, etc., in the area of refinancing, we permit that in the case of crop failures, loans should be rescheduled over a period cf three-five years and fresh loans given to the farmers. In the case of small and marginal farmers, the interest chargeable on crop loans should not exceed the principal amount. In the case of loans not exceeding Rs. 25,000/—, the banks should not charge any penal interest. There should be no compounding of interest on current dues in the agricultural sector. In the case of successive crop failures for a period of three years or more, a moratorium from recovery should be provided for a period of two years or till the next good crop whichever is earlier.

From these guidelines it can be appreciated that we do take into consideration the difficulties of the farmers. But we have to keep in view the financial discipline and the financial health of the institution If they do not abide by that guidelines, naturally, refinancing has to be stopped. Refinancing is not a matter of right. If the State Govern, ments want to give some concessions they can certainly give them

from their own funds or"from the funds of the State Co-operative brinks. But so far as refinancing is concerned, they have to abide by the guidelines. The Maharashtra Government also agreed to abide by the guidelines. This was on the 12th June. Therefore, from the 16lh Juno refinancing has again been started.

SHRI A. G. KULKARNI : I have particularly, asked about the modality. You say that the refinancing has been started. What is the modality now ? You have said that the State Governments can give concessions in regard to remission of interest etc., from their own funds or from the funds of State co-operative banks. In Maharashtra, particularly, this very thing has happened. Maharashtra is not Haryana. They are not giving any remission. Maharashtra has given remission ; two per cent from the State and two per cent from the State co-operative banks. To this, NABARD took objection. I am on that point. I am happy that because of the Finance Minister's efforts modalities have been worked out. I would like to know what are the special modalities where by rescheduling of loans etc., have been achieved.

THE MINISTER OF FINANCE (SHRI S. B. CHAVAN) : Sir, it is good that the hon. Member has put this question because I get an opportunity to clarify the position. I would like to clarify that neither the State Government nor the co-operative institutions have been allowed to give any concession or relaxation which would ultimately result in destroying the structure which the NABARD and the Reserve Bank of India have built as a result of the reports of a number of committees. In fact, the NABARD and the Reserve Bank of India have evolved the structure after reports by a number of committees which were set up and which consisted of experts in the co-operative field and experts in financial matters. Now, the position is that anything which results in diluting the structure, the discipline, which the NABARD and the Reserve Bank of India have envolved would not be allowed. That is why specific instiucticns have been given to all the banks and financial institutions that they have to follow this particular discipline and that they would not be allowed to relax the same. This is in regard to the first part of his question.

In regard to the second part of his question as to what has been the ultimate result cf the negotiations which were going on, the NABARD and the Reserve Bank cf India were discussing this matter with some of the officers. The upshot of the entire discussion is that if the Maharashtra Government or, for that matter, the State co-operative banks want to give any incentives for greater production, it has no relation whatsoever with the rate of interest the institutions have been charging. It will be taken up separately. This matter is still under consideration. We have not taken any decision on that.

डा० बापू कालदाते : सभापति जी, इसमें एक सैद्धांतिक प्रश्न इस ढंग का है कि किस ढंग से सरकार औद्योगिक प्रक्रिया वाले संस्थानों को देखती है, क्या खेती को उस ढंग से देखती है या नहीं ? क्योंकि महाराष्ट्र सरकार ने जो कुछ निर्णय लिया वह तो एक पुनर्वासन के लिये था क्योंकि प्रोडक्टिविटी बढ़ाने के लिये जो भी काम उनको करना है, इसमें पुनर्वासन की बात थी कि वह पैसा नहीं दे सकते तो उसका पुनर्वासन दस हफ्तों में किया। अब उनको और इनिश्येटिव मिले इसके लिये छ परसेंट की बात उन्होंने की । वह आपके नाम में नहीं बैठते, वह तो ठीक बात है । आप उनसे चर्चा कर सकते थे लेकिन अगर सिक इंडस्ट्री के लिये आई डी बी आई और सब लोग उनकी मदद करते हैं, तो अकालग्रस्त किसानों के लिये अगर कोई रियायतें देने का

प्रयास राज्य सरकार करती है तो इन प्रयासों को रोकने का परिणाम किसानों पर बुरा होता है, मैं खुद दस जून तक महाराष्ट्र में था और मैं आपको कहता हूं कि अभी तक किसानों को खरीफ के ऋण नहीं मिले हैं। तो हम आप से यह जानकारी चाहते हैं कि क्या सरकार खेती के लिये कोई ऐसे नामर्स तय करेगी कि एक दफा अगर अकाल पड़ जाये तो 3–4 साल तक तो खेती वाले किसान बर्बाद हो जाते हैं। अगर आपका कोई नामर्स, स्ट्रक्चर उनके हितों की रक्षा करने के लिये हो, हमें तो यह आश्चर्य लगता है कि वहां शरद पवार बैठे हैं, यहां आप बैठे हैं और चव्हाण और पवार में कोई तालमेल नहीं है कि वहां की सरकार आपसे बात नहीं करती, नाबार्ड के साथ बात नहीं करती, आपमें भी अगर तालमेल नहीं होगा तो आपमें और हममें कैसे होगा, यह मेरी समझ में नहीं आता ?

SHRI S. B. CHAVAN : Second part of the question I will take first. In fact I do not know why hon. Member thinks that we are not on talking terms with the Chief Minister of Maharashtra. I do not think any doubt of that nature should be expressed by any hon. Member. Actually, we are prepared 'to help all the State Governments including Maharashtra but we cannot possibly allow any of the State Governments to pose as if they are the decision makers and they can lay down the all-India policies. These are all India institutions who lay down certain policies. If you want to deport from the same, certainly you have to discuss with them, convince them try to persuade them to come to your point of view.

Now I will reply first part of the question. The first part of the question is, whether we, as a Government, are prepared to treat industry and agriculture on par. I think the hon. Member may like to go more into details whether it is in the interest of agriculture or not. 1' have gone into this question and I have my own conclusions

SHRI S. B. CHAVAN : I think the hon. Member knows very well that on 12th they have signed the memorandum of under standing with NABARD and thereafter Rs. 60 crores have been sanctioned by NABARD.

DR. BAPU KALDATE : That

डा० बापू कालदाते : इसमें दिक्कत यह है कि दोनों के झगड़े में किसानों को अभी तक ऋण नहीं मिला । हमें इसमें कोई मतलब नहीं है कि नाबार्ड ठीक है है या शरद पवार ठीक है, लेकिन ऋण नहीं मिला, यह बात सही है ।

sanction is there.

SHRI PARVATH ANENI UPENDRA : Mr. Chairman, Sir. the stand taken by NABARD and the Finance Minister is a classic example of this Government's unsympatnetic attitude towards the farmers. Thousands of crores have been distributed in loan melas to suit their party purpose. They are giving concessions of hundreds of crores of rupees to industrialists and multinationals, but when it comes to the question of farmers not only they are neglected but their attitude is also obstructive. It is unfortunate that Mr. Chavan as Chief Minister advocated this concession to the farmers and now as finance Minister he is rejecting it.

According to this scheme the State Governments are reimbursing to the cooperative banks whatever concessions they are giving to the farmers. All these concessions also are allowed only

to those farmers who repay in time, an an incentive for repayment. As a result, the recoveries of the cooperative banks have been hundred per cent and it is a good sign. We know what is happening with so many joint sector companies and so many projects. When the State Governments are prepared to reimburse the amount, what is the difficulty for NABARD? Why should the Government obstruct and stop the financing, particularly in the height of the crop season? How are they affected?

SHRI S. B. CHAVAN: I would like to reply the first part of the question first. I think the hon. Member is not correct when he says that as Chief Minister, I propounded this scheme which, in fact, is not factually correct. Factually it is incorrect. I had never propounded this kind of a scheme actually when I was the Chief Minister.

SHRI PARVATHANENI UP-ENDRA: Which means that you have always been unsympathetic.

SHRI S. B. CHAVAN: Oh, very good. In fact, you can draw your own conclusion. But I am a person who believes in doing things not for a temporary period, as the hon. Member is thinking of. I can well understand what is it that he has in view. As a result of the action taken by the Andhra Pradesh Government, ultimately NABARD had to issue these ins-tructions. I know what happened and I do not think it will be in the interest of hon. Member, Shri Upen-dra also....

SHRI PARVATHANENI UPENDRA: I do not mind. You please tell the House.

SHRI S. B. CHAVAN: There are a large number of irregularities which the Andhra Pradesh Go-ernment has also committed.

SHRI PARVATHANENI UP-ENDRA: What are they? You. please tell us. Please specify.

SHRI S. B. CHAVAN: If you want to know, I will definitely tell the hon'ble House that a large number of amounts were there which in fact they had promised on behalf of the State Government but which ultimately NABARD could not get and a large number of amounts were outstanding both against Tamil Nadu as well as Andhra Pradesh Government. Then the NABARD and RBI thought that the entire structure is collapsing and it is not in the interest of the cooperative structure and the commercial banks that this kind of activity should be allowed. That is why they became very strict and they issued those instructions.

SHRI PARVATHANENI UPENDRA: Let half-an-hour dis cussion be there.

DR. G. VIJAYA MOHAN REDDY: Please allow half-an-hour discussion on this. It is a question of farmers. The farmers are starving because of your policies.

SHRI S. B. CHAVAN: No, no, ultimately it is a question of following a particular kind of discipline which the banking system has been following so far.

SHRI PARVATHANENI UPENDRA: What about the industry?

SHRI S. B. CHAVAN: Neither the Central Government, nor the State Government should interfere with the working of the banking system. The banking system, as a whole, is having its own rules and it has been following them properly. If we want to take a decision, certainly by all means we can take a decision and also try to help the banking institutions, but not at the cost of the banks. Ultimately it is the borrowers money which

the banks are handling. It is the borrowers money and I do not think we can play with the kind of borrowers money that the banks have taken. They cannot possibly..

SHRI PARVATHANENI UPENDRA: How banks are affected? They are getting the money.

SHRI S. B. CHAVAN: No, no, they are not getting. That is the whole trouble. In fact, I will show you much amount was due from Andhra Pradesh Government and how much they have been able to give and ultimately it was because of that failure that they had to issue this kind of instructions.

कुमारी सईदा इफ्तून : माननीय सभापति महोदय, मैं माननीय मंत्री जी से जानना चाहती हूं कि जो उन्होंने जवाब दिया है कि राज्य सहकारी बैंक और भूमि विकास बैंक से उनको सहायता दी जाती है, लेकिन मैं कहना चाहती हूं कि किसानों को इन सुविधाओं का लाभ तब तक नहीं मिलता जब तक कि वे इस आशय का वचन नहीं दे देते कि भारतीय रिजर्व बैंक और राष्ट्रीय कृषि विकास बैंक द्वारा निर्धारित की गई हिदायतों का पालन करेंगे ? मेरा प्रश्न यह है कि क्या उनके वचन देने के बाद अपने कोई सर्वे कराया है ?

दूसरा प्रश्न मेरा यह है कि जो आपने कृषक लोगों के लिए सहकारी बैंकों और भूमि विकास बैंकों से जो तीन किश्तों में पैसा पहले दिया जाता था कम से कम एक किश्त में कर दिया है कि नहीं ? मुझे मालूम है और मैं चैलेंज के साथ कह सकती हूं कि खास तौर से मध्य प्रदेश में आज वचनबद्ध नहीं हैं और जो पैसा दिया जा रहा है, फॉरेस्ट बैन लगने से उनको बांस-बल्ली नहीं मिलती हैं जिससे कि आपका पैसा देना बेकार हो जाता है और उनको दी गई दो किश्तें भी बेकार जाती हैं क्योंकि तीसरी किश्त देर से मिलने से उनके मकान ढह जाते हैं और जो पैसा मिलता है उस पर इनकम टैक्स लग जाता है, उससे बांस महंगे दिए जा रहे हैं, मेरा आपसे अनुरोध है कि आप इस ओर भी ध्यान देंगे ?

श्री बी०के० गढ़वी : सभापति जी, जैसे ही बैंक हम लोगों को यह कह देता है, अंडरटेकिंग दे देता है कि वह हमें गाइड लाइंस पर कि वे बैंक आरबीआई के नियम के मुताबिक लोन का वितरण करेंगे तब हम उनको दे देते हैं । वह किसको देते हैं, कैसे देते हैं, क्या चलता है वह तो हमारे पास कुछ आता नहीं । लेकिन फिर भी माननीय सदस्य ने कम्प्लेंट की है हम उसकी जांच करवा लेंगे ।

SHRI KAHNU CHARAN LENKA: Sir, I want to know from the Minister whether Government is aware that some State Governments have waived the agricultural loans given to their farmers and made repayment of loans directly to the NABARD and Reserve Bank. Who are they? Is it a fact that the NABARD and the Reserve Bank have refused to accept the repayment directly from the Governments and also refused to refinance those State Cooperative Banks and State Land Development Banks? Is it also a fact that the Reserve Bank has issued instructions to all the States that it would stop refinancing if the loans are repaid by the Governments themselves without recovering them from the farmers ? Sir, the Government is financing the industry. If any industry becomes sick, the Government declares it as a sick industry. I want to know from the Minister whether the Government is going to consider any proposal to declare sick agriculture in terms of sick industry.

SHRI B. K. GADHVI: Sir, so far as the agricultural sector is concerned, the entire country and the House are aware that, as the Prime Minister has declared, we are going to have a total look at the difficulties of the farmers, for which actions are on. But, so far as this particular question is concerned, NABARD is only refinancing the Cooperative Banks and the Land Development Banks and, therefore, it is supposed to receive back from them the amount which it has financed them

With regard to what kind of credit they are giving to the farmers and other things, it is for the State Cooperative Banks and their branches as well as the Land Development Banks to look into it.

SHRI KAHNU CHARAN LENKA: Who are those who waived the loans given to the farmers?

SHRI B. K. GADHVI: Whatever the information, that any State Government directly went to NABARD for repayment and that NABARD refused it, if it is so, I will find it out and let the honourable Member know about it.

Clearance of Telugu Ganga Project

*48. SHRI PASUMPONTHA. KIRUTTINAN :t SHRI V. GOPALSAMY :

Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the Telugu Ganga Project has been given clearance by the Centre;

(b) if not, what are the reasons therefor;

(c) whether the Central Government have received any request from Andhra Pradesh Government for clearance of the Telugu Ganga Project with reference to its rights under the Bachawat Award; and

(d) if so, what steps the Central Government have taken to resolve the dispute between the State Governments of Andhra Pradesh and Karnataka ?

THE MINISTER OF STATE OF THE MINISTRY OF WATER RESOURCES AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB) : (a) No, Sir.

(b) Inter-state issues are not resolved.

(c) Yes, Sir.

(d) An inter-state meeting a t Chief Minister's level was fixed in September, 1988. The meeting did not materialise.

SHRI PASUMPON THA. KIRUTTINAN : Mr. Chairman, Sir, it is unfortunate that the honourable Minister has said that no clearance has been given by the Centre so far. In recent years, Madras city has been facing acute water scarcity and so the people of Madras city are anxiously waiting for earlier clearance of the Telugu Ganga project. Unfortunately we, the people of Tamil Nadu, have to depend upon the neighbouring States and their river waters either for irrigation purposes or for drinking purposes. Whether it is the Cauvery dispute or the Telugu Ganga dispute, no solution has been found and so no accord has been reached. Sir, the Centre has to play an important role and they should not shirk their responsiblity. There should not be any suspicion in the minds of the people of Tamil Nadu that the Centre is playing politics.

The honourable Minister has mentioned that in the year 1988 a meeting of the Chief Ministers had been fixed but it did not materialise. In view of the all this I would like to know from the honourable Minister what actions have been taken to call a Chief Ministers' meeting, when they are expected to meet and where. I would also like to know from the hon. Minister what are the special reasons for the inordinate delay in the clearance of this project.

SHRI M. M. JACOB : It is the desire and anxiety of the Government to provide water to Tamil

t The question was actually asked on the floor of the House by Shri Pasumpon Tha. Kiruttinan.